

# How to work after retirement and still collect your PERSI benefits

If you're considering returning to work after retirement, it's important for you to know IRS regulations and Idaho State laws may affect your retirement benefit should you return to work. The legal responsibility for complying with federal and state regulations belongs to you and your employer. You are the one who will have to deal with the consequences should the IRS discover non-compliance.

As a PERSI retiree, you may work for any private-sector employer as long as you want and for as many hours as you want without affecting your retirement benefits. However, if you want to work for any employer belonging to PERSI, the following restrictions apply:

## 90-Day Break in Service

If you are an early retiree (younger than age 65, or 60 for police/PERSI firefighters) you must have at least a 90-day break if you want to return to work for your last employer. The IRS has very strict definitions of "breaks of service" to ensure individuals do not receive benefit payments if they have what's called "continued employment." Therefore, since March 14, 1996, to meet IRS requirements PERSI has had two conditions for early retirees returning to work.

1. You must have at least a 90-day break between retirement and reemployment with the same employer regardless of the number of hours worked,

AND

2. No promise of future employment can be made to you when you leave employment.

Such a break is not required if you retire at age 65 or later (age 60 for police/PERSI firefighters).

If you are an early retiree and return to work for the same employer within 90 days, any pension benefit payments received plus interest must be returned to PERSI.

State employees: All agencies of the State of Idaho are considered one employer.

## 20-Hour Per Week Limit

If you want to work for a PERSI employer and continue to receive your monthly pension payments, you cannot work 20 hours or more per week (teachers working 1/2 contract or more) for five consecutive months or more. Doing so means your monthly retirement payments must stop, and both employee and employer contributions must be paid to PERSI from the beginning date of reemployment. You must also pay back all benefit payments received after your reemployment date plus interest. This applies to all retirees, regardless of age.

Once employment ends, contributions stop and you may once again begin receiving your original pension benefits. A separate allowance based on your reemployment period will be added.

If your period of reemployment ends up being less than five months, PERSI will return contributions to you, your employer will get a credit for that amount, and you will receive retroactive benefit payments covering the reemployment period. If you are working less than 20 hours per week or less than five consecutive months, no contributions are required and you will continue to receive your monthly pension payments.

